

PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

Minutes of the Meeting of the Board

October 18, 2016

The meeting of the Board of Directors of the Pennsylvania Intergovernmental Cooperation Authority ("PICA") was held on Tuesday, October 18, 2016 in the PICA Board Room located at 1500 Walnut Street, 16th Floor, and Philadelphia, Pennsylvania.

Attendees

Board: Kevin Vaughan , Alan Kessler, Joseph M. McColgan, Michael A. Karp (*via telephone*), and Robert A. Dubow (*ex officio*).

Staff: Harvey M. Rice, Dora Ward, Daniel Esposito, and Deidre Morgenstern.

Invited Guests: S. William Richter, Esq., Reed Smith, LLP; Anna Adams, Budget Director (*via telephone*).

Call to Order

Mr. Vaughan called the meeting to order at 12:15 p.m.

Approval of Minutes

Mr. Kessler made a motion to approve the minutes from the meeting of August 31, 2016. Mr. McColgan seconded the motion. The motion passed 3-0.

Executive Director's Report

Mr. Rice gave an update on PICA staff projects. He stated that PICA staff had released its staff report on the fourth quarter and provided the Board with the most recent overtime reports. PICA is waiting on information on overtime for August and September from the City and will promptly provide the Board with its analysis thereafter. PICA is also finishing the annual report, which PICA's auditor, Heffler, Radetich & Saitta LLP, will present at the November Board meeting. PICA staff plans to release its annual performance report on city agencies in December. PICA will be hosting its third annual fall conference in December at the Federal Reserve Bank. The topic will be Philadelphia's infrastructure needs and plans. Mr. Rice is also finalizing a contract with Boston College regarding the updated DROP study.

Treasurer's Report

Mr. Rice stated that PICA operating expenditures for September and October are below budget, but above last year's figures due to an additional staff member, rent, printing expenses for the Five Year Plan report, and an extra pay period in October.

New Business

Mr. McColgan asked city officials how much consumption of sweetened beverages is projected to decrease once the new tax is implemented. Mr. Dubow responded consumption is expected to drop 28 percent in the first year and an additional 1 percent every year thereafter. Mr. McColgan then asked whether the city is prepared to refund proceeds from the tax if the tax becomes invalidated by the courts. Mr. Dubow responded in the affirmative. Mr. Richter explained that taxpayer refunds might become necessary in the event the courts invalidate the tax, although the courts have declined to do this for commercial plaintiffs recently. Mr. Kessler asked how much consumption decreases would be due to actual change in consumption of drinks taxed versus people changing the location of their purchases. Ms. Adams responded that this would depend on the amount of money the distributors pass onto consumers as a result of the tax. Mr. Dubow added that no passing on of the tax to consumers is anticipated. Mr. McColgan asked whether the city had calculated the adverse economic impact the new tax would have on small businesses. Mr. Dubow responded that the city has not estimated this impact.

Public Comment

There was no public comment.

Adjournment

Mr. Vaughan asked for a motion to adjourn. Mr. Kessler made the motion. Mr. McColgan seconded the motion. The motion passed 3-0.